THE CHALLENGES AND PROSPECTS OF RESTRUCTURING IN NIGERIA

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ABSTRACT
This study explores the concept of restructuring in Nigeria, examining the issues, challenges, and prospects associated with this critical topic. The anomalies within the current system have led to a growing call for restructuring, with various debates and opinions surrounding its implementation. The study analyzes the potential benefits of restructuring, such as enhanced political stability, economic development, and resource utilization. It also considers challenges, including political resistance, ethno-religious tensions, and legal complexities. The study recommends adopting the principle of rotation as a means of power-sharing, fostering inclusivity and fairness in governance. However, it emphasizes that restructuring must extend beyond constitutional and structural changes and include a shift in mindset, focusing on core values like honesty, dedication, and accountability. The success of restructuring lies in the proactive engagement of stakeholders and a collective commitment to building a united and stronger Nigeria.

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1. INTRODUCTION
Restructuring in Nigeria is a topic that has gained significant attention in recent years. The challenges and prospects of restructuring in Nigeria are influenced by various factors, including economic, political, and social considerations. Restructuring as a Nigerian concept for restoration or addressing structural deformities in the system cries out for more analytical precision and empirical rigour because of the many interpretations associated with the concept. The difficulty in precisely defining "restructuring" has led El-Rufai (2017) to express frustration over some Nigerians' preference for using alternative terms such as true federalism, devolution of power, resource control, regionalism, self-determination, and others, instead of the word "restructuring." Even political leaders tend to avoid using the term "restructuring" in their presentations. For example, Oseloka (2017) reports that President Buhari, in his campaign manifesto, promised to implement changes to the Nigerian Constitution to devolve powers, duties, and responsibilities to states, aiming to establish true federalism and a federal spirit. While Buhari did not explicitly use the word "restructure," it was implied. Many Nigerians believe that the country has transformed from a promising nation to one facing significant challenges, where various regions and zones feel aggrieved, marginalized, and seek equity through the call for restructuring. In the past, Nigeria had a more balanced system with three, later four regions, which were economically self-sufficient and contributed significantly to the central government through a 50 percent derivation formula. However, over time, the central government has become more powerful, taking the majority share of national revenues (now about 56%), while the states struggle financially and are unable to pay salaries, gratuities, and pensions.

The analysis indicates that restructuring is necessary to promote competition, efficiency, and productivity as the new federating units strive to survive. However, many people, especially leaders from northern Nigeria, are apprehensive about the potential outcomes of restructuring. Some fear it may lead to secession or have unforeseen consequences. Nonetheless, proponents of restructuring argue that it is essential for Nigeria's progress and can be done collaboratively, systematically, and without dividing the nation. The paper's objective is to critically examine the issue of restructuring in Nigeria, addressing its various theoretical perspectives, the different restructuring efforts undertaken by past regimes, the potential benefits of restructuring, and concludes with policy recommendations.

2. THE CONCEPTUAL EXPLANATIONS
2.1 Restructuring
The term "restructuring" carries different meanings for different individuals, and many Nigerians from diverse backgrounds interpret it differently. For some, restructuring primarily involves political changes, such as creating or merging states or local government areas, resource control, regional autonomy, and power devolution, with resource control, particularly regarding oil wealth, being particularly sensitive. However, restructuring encompasses various dimensions, including political, economic, educational, social, accounting, administrative, and security-related restructuring (Bello, 2017). To discuss restructuring adequately, proponents should specify the exact type or types they advocate. Historically, Nigeria has witnessed the use of words with prefixes like "Re" to address significant national issues. After the traumatic civil war of 1967-1970, the Gowon Administration introduced three "Re's" - "Reconciliation," "Reconstruction," and "Rehabilitation" - to mitigate the war's impact on the war-torn Eastern Region (Yaqub, 2016).
So, what does "restructuring" actually mean? According to Bello (2017), restructuring refers to the process of redefining the interrelationships between components within a system to increase its overall efficiency. Unya (2011) defines it as bringing about a fundamental change in an organization or system. Oyim (2013) sees it as altering the organization of something, such as a government or business, to improve effectiveness and cost efficiency. Therefore, when Nigerians discuss restructuring, they should clarify their intended meaning. Nigeria's history shows its evolution from a united British colony formed through the amalgamation of the Northern and Southern Protectorates in 1914. Upon gaining independence in 1960, Nigeria adopted a federal constitution with three and later four regions as its federating units. These regions had significant powers and contributed to the central government's funding while having their own constitutions and representation in London. The regional governments at that time invested in education, infrastructure, and economic development, creating enduring institutions (El-Rufai, 2017). However, events like the "Five Majors" coup in 1966 and the subsequent civil war caused significant changes. The military government favored centralization, weakening the regions' powers and ultimately leading to the creation of 12 states from the four original regions. Over time, more power was concentrated at the center, and the number of states increased to 36, making them smaller and less financially independent. As a result, the central government took a significant portion of national revenues but failed to effectively utilize them (El-Rufai, 2017).

The historical context explains the calls for restructuring in Nigeria. Some, like Osuntokun (2017), see it as a means to restore federalism as originally envisaged in the 1960 independence constitution. Others, like Yaqub (2016), view restructuring as a process to address any structural deformities in the nation. The term "restructuring" has created divisions in Nigeria, with proponents from the southern region supporting it and those from the northern region opposing it. Two primary models for restructuring have emerged: the conservative model, aiming to maintain the status quo by reducing the federal government's exclusive powers, and the radical model, advocating for significant power devolution to states as federating units, with a leaner federal government having exclusive powers over external foreign relations (Nwodo, 2017). Making argument in support of restructuring in an interview he granted Daily Sun, Professor ABC Nwosu (former political adviser to President Obasanjo) starts by defining restructuring as "changing the structure. What is the structure? There is too much power at the centre. The federal government has too much power, too much responsibility, too much money, too much to waste..." When asked why people are asking for restructuring, he answers by asserting that, "the structure that we have is anti-development. The structure we have is unjust and unfair. I belong to the school of thought that regards restructuring more of devolution of power than regionalization of Nigeria". Therefore, the Nigerian unitary system of administration which we have now is not only an illegal constitutional contraption, but also an unworkable political system and a harbinger of perverse, chaotic, political and economic conundrum.

2.2 Past Restructuring Since Independence

Consciously or unconsciously, deliberately or in-deliberately, most Heads of State or governments we have had since independence have implemented one form of restructuring or the other during their reign. The reasons why we did not know is that the decisions were not called or announced as restructuring, and they were done in piecemeal, making them un-noticeable by the general public. Even those that made the changes did not know that they were actually restructuring Nigeria, either economically, politically, administratively or otherwise. Bello (2017) listed different restructuring exercises carried out unconsciously by each government since independence which we discussed below.

Tafawa Balewa (1960-1965), (Dr. Nnamdi Azikwe as Governor-General/ Ceremonial President)
1) Creation of Mid-Western Region from the then Western Region – Political Restructuring

General Aguiyi Ironsi: – Jan 1966-July 1966 (6 months)
- Abolished the federating regions by Decree 32 suspended Federal and Regional parliaments. Power became concentrated at the center (Political restructuring)
- Cancelled Native Authority Police (Administrative restructuring)
- Federal Government took over control of revenue from natural resources and corporate taxes from regional governments. Shared national income among the regions (fiscal and economic restructuring)
- Started unitary government with a strong center and weaker regions, a bye-product of military dictatorship (political restructuring).

General Yakubu Gowon (July 1966-August 1975)
- Creation of 12 states to replace four regions – (major political restructuring)
- Universal free primary education (educational restructuring)
- Started with 50% derivation payment to oil producing states, – (fiscal/ economic restructuring) (This was later gradually reduced to 13% over a few years)
- Changed currency from pounds to Naira (monetary restructuring)
- Promulgated the indigenization decree (economic restructuring)
- NCE introduced (educational restructuring)
- NYSC introduced (socio-administrative restructuring)
- Takeover of schools owned by private or religious organizations (educational restructuring)
- Created Ministry of Petroleum Resources (administrative restructuring).

General Murtala Mohammed (July 1975-Feb 1976)
- Started the process of relocating Federal Capital from Lagos to Abuja (political/administrative restructuring)
• Started the process of drafting a new constitution for Nigeria (political restructuring)
• Created additional states (political restructuring)

**General Olusegun Obasanjo (1st reign)**

• Finalized and approved the change from British parliamentary to American Presidential system as recommended by Nigerians through the 49-member constitution drafting committee and endorsed by the constituent assembly (major political restructuring)
• Land Use Decree: Takeover of urban land from land owners by Government and handling it over to State Governors (socio-economic restructuring)
• Strengthened and formalized an independent third tier of government – LGA with executive arm (chairmen/supervisory councilors) and legislative arm (councilors forming local government house of assemblies and making laws) – major political restructuring
• Moved the federal capital from Lagos to Abuja in principle (Political/administrative restructuring)
• Introduced the sharing of central revenue among 3 tiers of government (Federal, State, LGA) – Fiscal restructuring
• Introduced free tuition in Federal Tertiary Institution (Educational restructuring)
• OND and HND merged into one qualification (Educational restructuring)
• JAMB established (educational restructuring)
• Established the umbrella labour union NLC for junior workers. (Socio-economic restructuring)

**Shehu Shagari (Oct 1979-Dec 1983)**

• Introduced Minister of State portfolio – (Administrative restructuring)
• Introduced the 6-3-3-4 education system – (Educational restructuring)
• Reversed OND/HND merger (educational restructuring)
• Established Federal Character Principle in federal appointments (political restructuring) e. Canceled Federal Scholarship scheme (Educational restructuring)
• Created Ministry of Science and Technology (administrative restructuring)

**Major-General Buhari/Tunde Idiagbon**

No major landmark decision or restructuring was done during their short reign, implemented only minor administrative changes such as war against indiscipline, bringing corrupt civil servants to book, introduced death penalty for drug trafficking (Judicial restructuring). Implemented strict control of access to foreign exchange and naira exchange rate.


1. Liberalized access to foreign exchange by introducing auctions for foreign exchange (economic restructuring leading to 400 % devaluation of Naira within 24 hours)
2. Released the determination of naira exchange rate to market forces rather than government forces (monetary restructuring)
3. Finally cancelled derivation principle for oil producing areas (geo-economic restructuring)
4. Replaced derivation with the Creation of OMPADEC (now NDDC) so that federal government can directly develop the Niger Delta region. (Fiscal/economic restructuring)
5. Created Federal Revenue Mobilization and Fiscal Commission (administrative restructuring)
6. Attempted to enforce 2-party system for Nigeria (failed political restructuring)
7. Breaking of NITEL monopoly and creation of NCC thereby attracting private sector investment into telecoms (major economic restructuring)
8. Breaking of NTA monopoly and creating of Nigerian Broadcasting Commission, bringing private investment into broadcasting (socio-economic restructuring)
9. Creation of Zayyad – led TCPC to privatize or commercialize government industries and parastatals (fiscal and economic restructuring)
10. Decreased the year of service for qualifying for pension from 15 to 10 years and gratuity from 10 to 5 years (administrative restructuring)
11. Approved 100% of terminal salary as pension for army generals, permanent sectaries and university professors (Administrative restructuring)

**Ernest Shonekan, August 1993-Nov 1993**

No time to implement any restructuring during his 3 months tenure.

**Abacha Nov 1993 to June 1998**

1. Created 6 additional states and additional local government (political restructuring)
2. Introduced value added tax (economic restructuring)

**Gen Abdusalam Abubakar June 1998- May 1999**

1. Drafted a new constitution for Nigeria by modifying the 1979 constitution.
2. Removed local government autonomy through joint account with state government (fiscal restructuring)
3. Licensed the first private university (Igbinedion University, Okada) (educational restructuring).


1. Restored 13% Derivation to oil producing areas by sponsoring an executive bill in the National assembly (geo-fiscal restructuring) The same bill also extended derivation to other solid minerals extracted in non-oil-producing areas.
2. Created Ministry of Niger Delta (administrative restructuring)
3. Started full and all-out privatization of Government parastatals (economic restructuring)
4. Implemented full monetization of Federal Civil Servant’s fringe benefits (economic restructuring)
5. Started the contributory pension scheme for civil servants (administrative restructuring)
6. Established EFCC (restructuring of security apparatus)
7. Introduced 8-year tenure for Federal civil servants (Directors and above)
8. Created Excess crude oil account (Fiscal restructuring) 
   Alhaji Umar Musa Yar’adua (May 2007-May 2010)
   His short-lived reign did not allow him to implement any major restructuring during his reign
   No major restructuring done during his 6-year reign.

He is however being remembered for the bold step of convening a national conference and also as the first African leader to conceded election defeat and congratulated the winner (—restructuring of mindset). We have gone into the above details in order to prove to Nigerians that restructuring Nigeria has been happening since Independence. It is still work in progress, and as long as the earth remains, we shall find reasons to continue to restructure Nigeria in one way or the other. Political restructuring may in due course, stabilize like in the developed countries, but social, administrative, fiscal and economic restructuring are likely to continue as long as the earth remains. I will in the next part of this article enumerate examples of the various types of restructuring we need in Nigeria which are far more important and more productive that the political restructuring that most people tend to emphasize.

2.3 Challenges of Restructuring

Restructuring Nigeria is a complex and multifaceted process that comes with various challenges. Some of the major challenges of restructuring Nigeria include:

1. Political Resistance: Restructuring often involves a redistribution of power and resources, which can be met with resistance from political elites who may feel that their interests or influence will be diminished in the new structure. Some politicians and regions might oppose restructuring if they perceive it as a threat to their political advantage or control.

2. Ethno-Religious Tensions: Nigeria is a diverse country with multiple ethnic and religious groups. Restructuring could potentially exacerbate existing ethno-religious tensions if certain groups feel that they are not adequately represented or if the distribution of power and resources is perceived as unfair.

3. Resource Control: The issue of resource control, particularly concerning oil revenue, is a sensitive and contentious topic in Nigeria. Regions with significant natural resources may be reluctant to share their wealth with other regions, leading to disagreements and tensions.

4. Legal and Constitutional Framework: Implementing restructuring may require significant amendments to the existing legal and constitutional framework. This process could be complicated and time-consuming, and disagreements over the specific details of the new structure could arise.

5. Economic Imbalance: Restructuring may result in economic imbalances between regions. Some regions may experience rapid economic growth and development, while others could face challenges in adjusting to the new system.

6. Administrative Capacity: The success of restructuring depends on the effective implementation and management of the new system. Ensuring that administrative capacity is sufficient at all levels of government to handle the changes and responsibilities that come with restructuring is crucial.

7. Public Awareness and Participation: Public awareness and understanding of the implications of restructuring are essential for its success. Adequate public education and participation in the process are necessary to build support and address potential misconceptions or concerns.

8. Funding and Resource Allocation: Implementing a restructured system may require significant financial resources. Agreeing on a fair and sustainable method of funding and resource allocation among the different levels of government can be challenging.

9. Regional Imbalances: Some regions in Nigeria are more developed than others, and restructuring could potentially lead to imbalances in development and infrastructure if not carefully managed.

10. Unintended Consequences: Restructuring may have unforeseen consequences on various aspects of Nigerian society and governance. It is essential to carefully consider the potential impacts and plan for mitigating any negative effects.

Addressing these challenges requires careful planning, open dialogue, and a commitment to inclusivity and fairness in the restructuring process. It is crucial for all stakeholders, including political leaders, civil society organizations, and the general public, to actively engage in discussions and work towards finding viable solutions to these challenges.

2.4 Benefits of Restructuring

Those advocating for restructuring believe it will lead to greater political stability and economic progress by encouraging healthy competition among the federating units, allowing each region to develop at its own pace. However, they acknowledge that political stability and economic progress are not solely determined by ethnic homogeneity or religious purity. They cite examples like Somalia, which is linguistically and religiously homogenous but highly unstable, and Switzerland, with multiple languages and no significant natural resources, yet it is stable and prosperous. They argue that the mindset and attitudes of the citizens play a crucial role in determining political stability and economic success (Bello, 2017). Nwodo (2017) views restructuring as essential for Nigeria’s economic recovery. He compares Nigeria to the Netherlands, which has a thriving knowledge-based economy and significant agricultural exports, despite not having substantial mineral resources. Northern Nigeria, being agriculturally endowed, can flourish in a restructured Nigeria with appropriate agricultural policies, becoming the country’s richest part. Odumakin (2017) outlines several reasons why restructuring is necessary for economic progress, social equity, and sustainable development:

1. Restructuring restores Nigeria to a path of developmental progress, efficient public service, and effective governance, both at the federal and regional levels.
2. It fosters a leadership-building culture, where each region can identify and closely monitor leaders for hard work and public service, promoting sustainable development across all zones.

3. A restructured Nigeria ensures each level of government is strong in the right areas of responsibility, eliminating redundancies such as a federal fire service and empowering states and local governance units to respond to local needs effectively.

4. Restructuring eliminates perverse incentives in the current system, where people seek government positions primarily to access unearned monthly allocations, leading to inefficiency and corruption.

5. It encourages regions to focus on developing their mineral and agricultural resources, laying the foundation for a robust manufacturing capacity across the country.

6. Restructuring ends the forced equalization of educational opportunities across the country to ensure federal character, allowing each region to invest in raising educational standards and promoting healthy competition among students.

7. Educational liberation through restructuring will empower millions of poor children, fostering healthy rivalry in educational achievement and equalizing success instead of failure.

In conclusion, advocates for restructuring believe it will create a more stable and prosperous Nigeria, where regions can develop their strengths and resources while promoting healthy competition among federating units. They argue that it is not ethnic or religious homogeneity that guarantees stability and progress but rather the mindset and commitment of the citizens to a united and restructured nation.

2.5 Prospects of Restructuring Nigeria

The prospect of restructuring Nigeria offers several potential benefits and opportunities for the nation's development and progress. Some of the key prospects of restructuring include:

1. Enhanced Political Stability: Restructuring can lead to a more balanced distribution of power and resources among regions, reducing competition and tensions over political control. With a fairer and more inclusive political structure, Nigeria may experience improved political stability and reduced ethnic and regional conflicts.

2. Economic Development and Competitiveness: Restructuring can foster healthy competition among the federating units, encouraging each region to develop its unique strengths and resources. This competition can lead to increased economic productivity and development as regions strive to attract investments and improve their economic performance.

3. Resource Utilization: Restructuring can lead to better management and utilization of Nigeria's abundant natural and human resources. Regions with specific resource endowments may have greater incentives to develop and maximize the potential of their resources, leading to overall economic growth and prosperity.

4. Fiscal Responsibility: A restructured system could promote fiscal responsibility at all levels of government. Regions may become more accountable for their financial decisions, leading to improved financial management, reduced wastage, and more efficient resource allocation.

5. Effective Service Delivery: With restructuring, governance can become more decentralized and closer to the people, enabling better service delivery tailored to the specific needs of each region. Citizens may experience improved access to essential services, leading to enhanced quality of life.

6. Addressing Marginalization: Restructuring may address feelings of marginalization and neglect among certain regions or ethnic groups. By providing a fairer distribution of resources and opportunities, restructuring can promote a sense of belonging and inclusivity for all Nigerians.

7. Strengthening National Unity: A restructured Nigeria that ensures equitable representation and participation of all regions and ethnic groups can foster a stronger sense of national unity and cohesion. When citizens feel that their voices are heard and that they have a stake in the nation's governance, it can contribute to a more united and harmonious country.

8. Effective Resource Control: Restructuring can address the issue of resource control by providing a framework for sharing resources in a way that benefits all regions while ensuring that the development needs of each area are adequately met.

9. Efficient Governance: Restructuring can streamline governance processes and reduce bureaucratic bottlenecks. By devolving certain powers and responsibilities to the regional and local levels, decision-making can become more agile and responsive to local needs.

10. Attracting Foreign Investment: A restructured Nigeria with clear and stable governance structures may attract more foreign investment due to increased political stability, improved business environment, and greater policy clarity.

Overall, the prospect of restructuring Nigeria presents an opportunity for a more equitable, efficient, and inclusive nation. However, achieving successful restructuring requires careful planning, effective implementation, and active engagement and cooperation from all stakeholders. It is essential to address challenges and concerns proactively and work towards building a stronger, united, and prosperous Nigeria.

3. CONCLUSION AND RECOMMENDATIONS

This study has thoroughly examined and assessed the restructuring question in Nigeria, addressing the anomalies within the system that have sparked the call for restructuring. The concept of restructuring was analyzed, encompassing various debates, challenges and potential benefits. The recommendations provided by the APC Committee on True Federalism were considered, and the study proposes an additional recommendation of adopting the principle of rotation as a means of power sharing. The principle of rotation, already practiced in Nigeria's traditional geo-political institutions when selecting rulers, could be effectively applied to executive posts at the federal, state, and local
government levels. This approach would help ensure fair representation and inclusivity among the constituent units. However, the study emphasizes that no matter how much restructuring occurs in terms of constitution and structure, the fundamental values and principles of development administration must not be overlooked. Factors such as honesty, dedication to duty, integrity, discipline, and decisive action are crucial for a successful and effective restructuring.

The study highlights that alongside political and economic restructuring, there must be a significant focus on restructuring our mindset. Cultivating the right values and attitudes is equally vital in achieving meaningful progress and development. Without a shift in mindset and the eradication of corrupt practices, the potential benefits of structural restructuring may not be fully realized. Ultimately, the study urges Nigeria’s leaders to find the courage to embrace restructuring, recognizing that systematic changes are essential for a stronger and unified nation. Just as a wise person prepares for rain by having an umbrella, Nigeria must be proactive in restructuring to secure a better future for all.

4. REFERENCES


